

COURT FILE NUMBER      **Q.B. No. 1401 OF 2019**  
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
JUDICIAL CENTRE              **SASKATOON**  
APPLICANT                      **HARMON INTERNATIONAL**  
(ORIGINAL RESPONDENT) **INDUSTRIES INC.**  
RESPONDENT  
(ORIGINAL APPLICANT)      **PILLAR CAPITAL CORP.**

Clerk's Stamp

**IN THE MATTER OF THE RECEIVERSHIP OF HARMON  
INTERNATIONAL INDUSTRIES INC.**

=====  
**NOTICE OF APPLICATION**  
=====

**Notice to Respondents: All Parties Listed on the Enclosed Service List**

This application is made against you. You are a Respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

**Where:**                      **Court of Queen's Bench**  
   **520 Spadina Crescent East**  
   **Saskatoon, SK S7K 3G7**  
**Telephone:**              **(306) 933-5135**  
**Date:**                        **Friday, September 11, 2020**  
**Time:**                        **2:00 p.m.**

(Read the Notice at the end of this document to see what else you can do and when you must do it.)

**Remedy claimed or sought:**

1. A declaration that the default rate of interest of 30% per annum payable to Pillar Capital Corp. ("Pillar") under the Loan Agreement, the Promissory Note and the Mortgage (the "Loan Documents") is prohibited by section 8 of the *Interest Act*, or a declaration that the said default rate of interest is an unenforceable penalty;

2. A declaration that the interest rate payable to Pillar under the Loan Documents is 18% per annum;
3. An order that the Local Registrar verify the mortgage loan account of Pillar in this matter; and
4. An order that on or before September 18, 2020, the Respondent, Pillar, make out, serve on the Applicant and all other interested parties, and file with the Local Registrar copies of a statement of its accounting for the mortgage account arising from the Loan Documents, with the principal balance, interest and all other charges or fees numbered a consecutively.

**Grounds for making this application:**

5. Harmon requires an accounting in order to be able to negotiate refinancing or an assignment of Pillar's security, and takes the position that a determination with respect to the interest rate under the Loan Documents and an accounting are prerequisites to any such refinancing or assignment.
6. Further and more detailed grounds will be set out in Harmon's Brief of Law.

**Material or evidence to be relied on:**

7. In support of this Application, will be read the following:
  - (i) All affidavits and reports filed in this matter to date;
  - (ii) Affidavit of Calvin Moneo, sworn September 8, 2020;
  - (iii) Draft Order;
  - (iv) Brief of Law, to be filed;
  - (v) Service List;

- (vi) Such further material as counsel may advise and this Honourable Court may allow.

**Applicable Rules:**


8. *Queen's Bench Rules*, Rules 6-3, 6-58, 6-59 and 6-61.

**Applicable Acts and regulations:**

9. *The Queen's Bench Act, 1998*, SS, 1998, c Q-1.01, s. 11.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 8<sup>th</sup> day of September, 2020.

**LELAND KIMPINSKI LLP**

PER: 

Solicitors for the Plaintiff,  
Harmon International Industries Inc.

**NOTICE**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

This document was prepared and delivered by:

Leland Kimpinski LLP  
Lawyer in charge of file: Ryan A. Pederson  
336 6<sup>th</sup> Avenue North  
Saskatoon, SK S7K 2S5

Telephone: (306) 653-6474  
Facsimile: (306) 653-7008  
E-mail: rpederson@lelandlaw.ca

The Plaintiff's address for service is as above.